

VILLAGE OF SCARSDALE, NEW YORK

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED MAY 31, 2008

WITH INDEPENDENT AUDITORS' REPORT

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O'Connor Davies Munns & Dobbins, llp

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees
of the Village of Scarsdale, New York:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Scarsdale, New York as of and for the year ended May 31, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Scarsdale, New York as of May 31, 2008 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General and Capital Projects Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Bennett Kielson Storch DeSantis Division

One Barker Avenue, White Plains, New York 10601 914.421.5600 tel 914.421.5099 fax www.odmd.com

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Scarsdale, New York's basic financial statements. The accompanying financial information listed as combining and individual fund financial statements and schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Scarsdale, New York. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bennett Kielson Storch DeSantis

The Government Services Division of
O'Connor Davies Munns & Dobbins, LLP
August 1, 2008

Village of Scarsdale, New York
Management Discussion and Analysis (MD&A)
May 31, 2008

Introduction

As management of the Village of Scarsdale, New York (Village), we provide readers of the Village's financial statements this overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2008. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Village's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$43,237,162. Of this amount \$10,069,521 is unrestricted.
- As of the close of the 2007-2008 fiscal year, excluding the Capital Projects Fund, all of the Village's governmental funds reported combined unreserved ending fund balances of \$8,112,143, of which \$6,807,458 is undesignated and available for spending at the Village's discretion.
- At the end of the 2007-2008 fiscal year, the unreserved fund balance for the General Fund is \$6,391,470, or 15.25% of total General Fund expenditures and other financing uses. The General Fund unreserved and undesignated fund balance of \$5,181,785 is 12.4% of total General fund expenditures and other financing uses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village that are governmental activities (those principally supported by taxes and revenues from other governments) and functions of the Village that are business-type activities (those that are intended to recover all or a significant portion of their costs through user fees and charges). The governmental activities of the Village include general government support, public safety, culture and recreation, home and community services and interest. The business-type activities of the Village include the Scarsdale Water District No.1 and the Enterprise Recreation Fund (the Pool).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains six individual governmental funds: the General Fund, Capital Projects Fund, Town Fund, Library Fund, Special Purpose Fund and the Permanent Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund and the Town Fund, all of which are considered to be major funds. Data from the other three governmental funds, which are considered non-major funds, is combined into a single aggregated presentation. Individual information on each of these non-major governmental funds is provided in the form of combining and individual fund schedules and statements elsewhere in this report.

The Village adopts annual budgets for the General Fund, Capital Projects Fund, Town Fund and the Library Fund. Budgetary comparison statements have been provided for these funds within the financial statements to demonstrate compliance with the respective budgets.

Proprietary Funds

The Village maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for the operations of Water District No. 1 and the Pool. Internal service funds are used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for its Central Garage operations. These services have been classified as governmental activities in the government-wide financial statements because they predominantly benefit governmental, rather than business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for Water District No.1 and the Pool which are considered to be major funds of the Village. The internal service fund is presented in the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Village programs. The Village maintains only one type of fiduciary fund that is known as an agency fund. Resources are held in the fund by the Village purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment and remittance of resources to the appropriate individual, organization or government.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the Village, assets exceeded liabilities by \$43,237,162 at the close of the most recent fiscal year. By far, the largest portion of the Village's net assets is its investment in

capital assets (land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction-in-progress), less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the Village's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.

Net Assets

	May 31,					
	2008			2007		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
Current Assets	\$ 24,119,854	\$ 7,117,898	\$ 31,237,752	\$ 24,101,302	\$ 4,625,448	\$ 28,726,750
Capital Assets, Net	30,777,131	4,428,762	35,205,893	28,971,953	3,386,139	32,358,092
Total Assets	54,896,985	11,546,660	66,443,645	53,073,255	8,011,587	61,084,842
Current Liabilities	6,460,302	1,740,618	8,200,920	6,527,147	860,867	7,388,014
Long-Term Liabilities	12,302,845	2,702,718	15,005,563	11,038,575	1,308,708	12,347,283
Total Liabilities	18,763,147	4,443,336	23,206,483	17,565,722	2,169,575	19,735,297
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	22,567,086	2,952,594	25,519,680	21,482,704	2,295,388	23,778,092
Restricted	7,647,961	-	7,647,961	7,928,821	-	7,928,821
Unrestricted	5,918,791	4,150,730	10,069,521	6,096,008	3,546,624	9,642,632
Total net Assets	\$ 36,133,838	\$ 7,103,324	\$ 43,237,162	\$ 35,507,533	\$ 5,842,012	\$ 41,349,545

A portion of the Village's net assets \$7,647,961 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is \$10,069,521.

Change in Net Assets

Fiscal Year Ended May 31,						
2008			2007			
Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total	
Revenues						
Program Revenues:						
Changes for Services	\$ 6,447,624	\$ 6,025,185	\$ 12,472,809	\$ 6,907,737	\$ 5,695,523	\$ 12,603,260
Operating Grants and Contributions	110,502	-	110,502	100,882	-	100,882
Capital Grants and Contributions	1,137,981	-	1,137,981	1,944,154	-	1,944,154
General Revenues:						
Real Property Taxes	26,348,373	-	26,348,373	24,825,926	-	24,825,926
Other Tax Items	395,980	-	395,980	520,744	-	520,744
Tax Distrib - County	2,465,871	-	2,465,871	2,261,561	-	2,261,561
Non Property Items	689,432	-	689,432	616,677	-	616,677
Unrestricted Use of Money and Property	1,517,014	201,678	1,718,692	1,428,670	188,865	1,617,535
State Aid	1,175,887	-	1,175,887	1,563,626	-	1,563,626
Gain on Sale of Capital Assets	-	-	-	(2,949,506)	-	(2,949,506)
Transfers	307,575	(307,575)	-	306,875	(306,875)	-
Total Revenues	40,596,239	5,919,288	46,515,527	37,527,346	5,577,513	43,104,859
Program Expenses:						
General Government Support	7,672,708	-	7,672,708	7,789,576	-	7,789,576
Public Safety	15,290,327	-	15,290,327	14,645,839	-	14,645,839
Culture and Recreation	6,347,139	906,470	7,253,609	6,004,229	939,011	6,943,240
Home and Community Service	10,671,069	3,751,506	14,422,575	9,964,521	2,949,668	12,914,189
Interest	333,188	-	333,188	328,223	-	328,223
Total Expenses	40,314,431	4,657,976	44,972,407	38,732,388	3,888,679	42,621,067
Change in Net Assets	281,808	1,261,312	1,543,120	(1,205,042)	1,688,834	483,792
Net Assets - Beginning	35,507,533	5,842,012	41,349,545	36,712,575	4,153,178	40,865,753
Prior Period Adjustment	344,497	-	344,497	-	-	-
Net Assets - Ending	\$ 36,133,838	\$ 7,103,324	\$ 43,237,162	\$ 35,507,533	\$ 5,842,012	\$ 41,349,545

Governmental Activities

Governmental activities increased the Village's net assets by \$281,808. This accounts for only 18% of the increase in total net assets. Please refer to Business Activities for a discussion of the increase in net assets from business activities.

For the fiscal year ended May 31, 2008, revenues from governmental activities totaled \$40,596,239. Tax revenues (\$26,348,373), which are comprised of real property taxes and other tax items and non-property taxes, represent the largest revenue source (65%).

The largest components of governmental activities' expenses are public safety (38%), home and community services (26%) and general government support (19%).

Christie Place

On August 5, 2005, a Purchase, Sale and Development Agreement (the "PSDA") was entered into between Ginsburg Development, L.L.C ("GDC") as Purchaser, and the Village, as Seller, in connection with the sale of the Property (the former Robison Lot). The transaction was structured to provide that the Village would deed the Property to GDC, but retain a perpetual easement for a Village parking lot. After zoning approvals were obtained, title would close, and GDC would construct on the Property a development containing retail uses and parking at the ground level; residential condominium units above the ground level; and additional parking on two (2) levels below ground level.

The construction on this project has progressed to the point where the Village is preparing to sell parking permits for the new underground garage. The developer also has condominium units available for viewing with an occupancy date projected by mid to late November. The Village is working with the developer to complete the streetscape improvements along Christie Place by the spring of 2009.

Business-Type Activities

Business-type activities increased the Village's net assets by \$1,261,312. Revenues from business-type activities were \$5,919,288. Offsetting these revenues were expenses of \$4,657,976 for all operations. Construction on the upgrade of the Ardsley Road Pump Station began during 2007-2008. This largely accounts for the increase in Business-type net assets. The work of re-plastering the main pool was completed during 2007-2008.

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful

measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$16,992,337, a net increase of \$288,717 from the prior year. Approximately 74% (\$12,528,985) of the total ending fund balance constitutes unreserved fund balance. Of the unreserved fund balance \$1,997,490 has been designated for subsequent year's expenditures. Of this amount \$259,685 represents the amount estimated for use in the 2008-2009 General Fund budget, \$1,642,805 represents the amount estimated for use in the 2008-2009 Capital Projects Fund budget and \$95,000 represents the amount estimated for use in the 2008-2009 Library Fund budget. Additionally, \$950,000 has been designated for capital projects and other legal obligations in the General Fund budget. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for prepaid expenditures (\$792,461), to liquidate contracts and purchase orders of the prior period (\$2,084,555), dedicated to pay for debt service (\$136,274), dedicated to land acquisition and improvements (\$428,386) and is restricted in its use under the terms of a trust agreement (\$1,021,676).

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$6,391,470, representing 83% of the total General Fund Balance of \$7,720,797. Two useful measures of liquidity are the percentage of unreserved and undesignated fund balance to total expenditures and total fund balance to total expenditures. At the end of the current fiscal year, the General Fund showed a 12.4% unreserved and undesignated fund balance to total expenditures, while total fund balance represents 18.4% of that same amount.

The final General Fund budget anticipated the use of \$2,765,362 of fund balance. However, actual results of operations showed the use of \$487,697 of fund balance. Revenues and other financing sources were \$41,416,225, which was \$921,883 greater than the final budget. The \$921,883 includes the receipt of \$1,000,000 in cash from Capital Projects funding which was replaced with bonding for the Supply Field Building renovation. The major areas where revenues exceeded the budget were in licenses and permits and non-property taxes.

Expenditures and other financing uses were \$41,903,922, which was less than the final budget by \$1,355,782. Every functional area of expenditure (General Government Support, Employee Benefits, Culture and Recreation, Public Safety and Home and Community Services) was less than the final budget. The respective amounts were below budget by \$482,001, \$292,197, \$140,841, \$233,763 and \$206,980.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Total net assets of Water District No. 1 at year end were \$6,450,290. Net assets invested in capital assets, net of related debt, were \$2,409,277. The settlement of the Water Rates case which originated in 1993 cleared the path to upgrading the Ardsley Road pump station. The construction began during 2007-2008 resulting in the increase in capital assets. PCB's and other pollutants were discovered on site during the early phases of construction. The Village retained a consultant to perform the pollution remediation work needed prior to recommencing construction. The remediation work is expected to be completed by March 2009. Revenue from the water rates increase also contributed to the increase in net assets although the Water

Superintendent noted that total gallons pumped over the past two fiscal years declined 3.6%. This is a positive development since the Village is under a mandate to encourage water conservation. Total net assets of the Pool fund at year-end were \$653,034. Net assets, invested in capital assets, net of related debt were \$543,317.

General Fund Budgetary Highlights

The final budget for General Fund estimated revenues was increased \$125,930 to \$38,838,382 reflecting the receipt of FEMA/SEMO funds reimbursing the Village for expenses related to the April 15, 2007 storm event.

The final appropriations budget for the General Fund remained unchanged at \$36,285,479. The appropriations budget for general government support was \$7,193,811, public safety was \$10,432,332, home and community services was \$6,473,003, culture and recreation was \$2,439,164 and the combined budgets for employee benefits and debt service was \$9,747,169.

Capital Assets

The Village's investment in capital assets for governmental and business-type activities at May 31, 2008, net of \$50,082,633 of accumulated depreciation, was \$35,205,893. This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, vehicles and construction-in-progress.

Capital Assets

	2008			2007		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
ASSET						
Land	\$ 3,860,985	\$ 149,789	\$ 4,010,774	\$ 3,860,985	\$ 149,789	\$ 4,010,774
Buildings and Improvements	7,922,169	4,310,195	12,232,364	7,500,773	4,310,195	11,810,968
Land Improvements	3,385,696	-	3,385,696	2,951,958	-	2,951,958
Infrastructure	44,567,793	1,845,331	46,413,124	43,977,265	1,845,331	45,822,596
Machinery and Equipment	12,738,510	1,190,013	13,928,523	11,643,737	1,128,858	12,772,595
Constuction-in-progress	3,520,552	1,797,493	5,318,045	1,693,774	542,070	2,235,844
Less-accumulated deprecitaion	<u>(45,218,574)</u>	<u>(4,864,059)</u>	<u>(50,082,633)</u>	<u>(42,656,539)</u>	<u>(4,590,104)</u>	<u>(47,246,643)</u>
Total (net of depreciation)	<u>\$ 30,777,131</u>	<u>\$ 4,428,762</u>	<u>\$ 35,205,893</u>	<u>\$ 28,971,953</u>	<u>\$ 3,386,139</u>	<u>\$ 32,358,092</u>

Additional information on the Village's capital assets can be found in Note 3,C in the notes to the financial statements.

Long Term Debt

At the end of the current fiscal year, the Village had total bonded debt outstanding of \$10,665,000. As required by New York State Law, all bonds issued by the Village are general obligation bonds, backed by the full faith and credit of the Village. As a policy, principal and interest on debt issued by the enterprise funds must be repaid solely from revenues of that fund.

Of the \$10,665,000 bonded debt outstanding at fiscal year end, \$954,955 represented debt of the Pool Fund and \$1,500,000 represented debt of the Water Fund.

Additional information on the Village's long-term debt can be found in Note 3,E in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Village of Scarsdale, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Marie Louise McClure, Treasurer, Village of Scarsdale, 1001 Post Road, Scarsdale, New York 10583.

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VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF NET ASSETS
MAY 31, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and equivalents	\$ 12,707,183	\$ 4,630,786	\$ 17,337,969
Investments	6,350,482	2,140,000	8,490,482
Receivables:			
Property taxes	2,111,833	-	2,111,833
Accounts	320,475	286,153	606,628
Interest	-	116	116
Special assessments	826,240	-	826,240
State and Federal aid	730,765	-	730,765
Internal balances	8,337	(8,337)	-
Due from other governments	210,884	-	210,884
Prepaid expenses	853,655	69,180	922,835
Capital assets (net of accumulated depreciation):			
Land	3,860,985	149,789	4,010,774
Land improvements	2,988,362	-	2,988,362
Buildings and improvements	4,532,868	1,756,315	6,289,183
Machinery and equipment	3,294,771	233,229	3,528,000
Infrastructure	12,579,593	491,936	13,071,529
Construction-in-progress	3,520,552	1,797,493	5,318,045
Total Assets	54,896,985	11,546,660	66,443,645
LIABILITIES			
Accounts payable	2,550,800	275,910	2,826,710
Accrued liabilities	888,462	815,043	1,703,505
Retainages payable	101,470	32,506	133,976
Accrued interest payable	112,253	44,671	156,924
Due to other governments	1,478,441	-	1,478,441
Due to retirement systems	375,068	-	375,068
Unearned revenues	953,808	572,488	1,526,296
Non-current liabilities:			
Due within one year:			
Bonds payable	825,863	164,137	990,000
Compensated absences	409,280	24,776	434,056
Due in more than one year:			
Bonds payable	7,384,182	2,290,818	9,675,000
Compensated absences	3,683,520	222,987	3,906,507
Total Liabilities	18,763,147	4,443,336	23,206,483
NET ASSETS			
Invested in capital assets, net of related debt	22,567,086	2,952,594	25,519,680
Restricted for:			
Capital projects	6,061,625	-	6,061,625
Land acquisition and improvements	428,386	-	428,386
Debt service	136,274	-	136,274
Special purposes	1,021,676	-	1,021,676
Unrestricted	5,918,791	4,150,730	10,069,521
Total Net Assets	\$ 36,133,838	\$ 7,103,324	\$ 43,237,162

The accompanying notes are an integral part of the financial statements.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government support	\$ 7,672,708	\$ 4,170,817	\$ 42,067	\$ 327,380
Public safety	15,290,327	2,181,328	569	-
Culture and recreation	6,347,139	22,304	67,866	207,138
Home and community services	10,671,069	73,175	-	603,463
Interest	333,188	-	-	-
Total Governmental Activities	40,314,431	6,447,624	110,502	1,137,981
Business-type activities:				
Water	3,751,506	5,104,537	-	-
Pool	906,470	920,648	-	-
Total Business-Type Activities	4,657,976	6,025,185	-	-
Total	\$ 44,972,407	\$ 12,472,809	\$ 110,502	\$ 1,137,981

General Revenues:

Real property taxes

Other tax items:

Special assessments

Interest and penalties - Taxes

Non-property taxes:

Non-property tax distribution from County

Utilities gross receipts tax

Franchise fees

Unrestricted use of money and property

Unrestricted State aid

Transfers

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year, as reported

Prior Period Adjustment

Net Assets - Beginning of Year, as restated

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (3,132,444)	\$ -	\$ (3,132,444)
(13,108,430)	-	(13,108,430)
(6,049,831)	-	(6,049,831)
(9,994,431)	-	(9,994,431)
(333,188)	-	(333,188)
(32,618,324)	-	(32,618,324)
-	1,353,031	1,353,031
-	14,178	14,178
-	1,367,209	1,367,209
(32,618,324)	1,367,209	(31,251,115)
26,348,373	-	26,348,373
136,274	-	136,274
259,706	-	259,706
2,465,871	-	2,465,871
412,932	-	412,932
276,500	-	276,500
1,517,014	201,678	1,718,692
1,175,887	-	1,175,887
307,575	(307,575)	-
32,900,132	(105,897)	32,794,235
281,808	1,261,312	1,543,120
35,507,533	5,842,012	41,349,545
344,497	-	344,497
35,852,030	5,842,012	41,694,042
\$ 36,133,838	\$ 7,103,324	\$ 43,237,162

VILLAGE OF SCARSDALE, NEW YORK

BALANCE SHEET
GOVERNMENTAL FUNDS
MAY 31, 2008

	General	Town	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 7,911,604	\$ 910,180	\$ 2,968,933	\$ 916,342	\$ 12,707,059
Investments	1,600,000	131,254	4,224,212	395,016	6,350,482
Taxes Receivable	205,438	1,906,395	-	-	2,111,833
Other Receivables:					
Accounts	58,957	-	19,539	241,979	320,475
Special assessments	826,240	-	-	-	826,240
State and Federal aid	730,765	-	-	-	730,765
Due from other funds	29,429	-	31,389	-	60,818
Due from other governments	75,009	-	-	-	75,009
	1,720,400	-	50,928	241,979	2,013,307
Prepaid Expenditures	753,281	-	-	39,180	792,461
Total Assets	<u>\$ 12,190,723</u>	<u>\$ 2,947,829</u>	<u>\$ 7,244,073</u>	<u>\$ 1,592,517</u>	<u>\$ 23,975,142</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,965,097	\$ -	\$ 177,060	\$ 201,075	\$ 2,343,232
Accrued liabilities	488,609	-	271,186	48,635	808,430
Retainages payable	-	-	101,470	-	101,470
Due to other funds	2,276	-	19,539	30,666	52,481
Due to other governments	-	1,478,441	-	-	1,478,441
Due to retirement systems	375,068	-	-	-	375,068
Deferred revenues - Taxes	205,438	-	-	-	205,438
Deferred revenues - Other	1,433,438	-	184,807	-	1,618,245
Total Liabilities	4,469,926	1,478,441	754,062	280,376	6,982,805
Fund Balances:					
Reserved for:					
Encumbrances	439,772	-	1,644,783	-	2,084,555
Prepaid expenditures	753,281	-	-	39,180	792,461
Land acquisition and improvements	-	-	428,386	-	428,386
Trusts	-	-	-	1,021,676	1,021,676
Debt service	136,274	-	-	-	136,274
Unreserved, reported in:					
General Fund	6,391,470	-	-	-	6,391,470
Town Fund	-	1,469,388	-	-	1,469,388
Capital Projects Fund	-	-	4,416,842	-	4,416,842
Library Fund	-	-	-	251,285	251,285
Total Fund Balances	7,720,797	1,469,388	6,490,011	1,312,141	16,992,337
Total Liabilities and Fund Balances	<u>\$ 12,190,723</u>	<u>\$ 2,947,829</u>	<u>\$ 7,244,073</u>	<u>\$ 1,592,517</u>	<u>\$ 23,975,142</u>

The accompanying notes are an integral part of the financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT - WIDE STATEMENT OF NET ASSETS
MAY 31, 2008

Fund Balances - Total Governmental Funds	\$ 16,992,337
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Amounts Reported for Governmental Activities in the Statement of Net
Assets are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	29,548,346
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Internal service funds are used by management to charge the costs of the Village's Central Garage services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	662,924
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Real property taxes	205,438
Special assessments	664,437

Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(7,904,045)
Compensated absences	(3,923,346)
Accrued interest	(112,253)

Net Assets of Governmental Activities	\$ <u>36,133,838</u>
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The accompanying notes are an integral part of the financial statements.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED MAY 31, 2008

	General	Town	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Real property taxes	\$ 25,623,720	\$ 714,420	\$ -	\$ -	\$ 26,338,140
Other tax items	195,994	393,168	-	-	589,162
Non-property taxes	3,155,303	-	-	-	3,155,303
Departmental income	2,877,292	2,285	-	62,580	2,942,157
Intergovernmental revenues	98,095	-	-	-	98,095
Use of money and property	1,683,602	364,600	232,070	54,842	2,335,114
Licenses and permits	1,652,034	-	-	-	1,652,034
Fines and forfeitures	678,570	-	-	-	678,570
Sale of property and compensation for loss	91,647	-	-	-	91,647
State aid	1,212,615	5,550	269,929	7,485	1,495,579
Federal aid	95,310	-	329,790	-	425,100
Miscellaneous	393,950	7,557	149,681	98,999	650,187
Total Revenues	37,758,132	1,487,580	981,470	223,906	40,451,088
EXPENDITURES					
Current:					
General government support	6,711,810	-	-	-	6,711,810
Public safety	10,198,569	-	-	-	10,198,569
Culture and recreation	2,298,323	-	-	2,287,123	4,585,446
Home and community services	6,266,023	-	-	-	6,266,023
Employee benefits	8,476,431	-	-	638,178	9,114,609
Capital outlay	-	-	5,301,480	-	5,301,480
Debt service:					
Principal	692,204	-	-	-	692,204
Interest	286,337	-	-	-	286,337
Total Expenditures	34,929,697	-	5,301,480	2,925,301	43,156,478
Excess (Deficiency) of Revenues Over Expenditures	<u>2,828,435</u>	<u>1,487,580</u>	<u>(4,320,010)</u>	<u>(2,701,395)</u>	<u>(2,705,390)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	1,500,000	-	1,500,000
Sale of real property	19,307	-	-	-	19,307
Transfers in	3,638,786	-	4,464,161	2,858,266	10,961,213
Transfers out	(6,974,225)	(1,183,998)	(1,458,900)	(213,787)	(9,830,910)
Total Other Financing Sources (Uses)	(3,316,132)	(1,183,998)	4,505,261	2,644,479	1,149,610
Net Change in Fund Balances	(487,697)	303,582	185,251	(56,916)	(55,780)
Fund Balances - Beginning of Year, as reported	8,208,494	1,165,806	5,999,947	1,329,373	-
Prior Period Adjustment	-	-	304,813	39,684	344,497
Fund Balances - End of Year, as restated	<u>8,208,494</u>	<u>1,165,806</u>	<u>6,304,760</u>	<u>1,369,057</u>	<u>344,497</u>
Fund Balances - End of Year	\$ 7,720,797	\$ 1,469,388	\$ 6,490,011	\$ 1,312,141	\$ 288,717

The accompanying notes are an integral part of the financial statements.

VILLAGE OF SCARSDALE, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MAY 31, 2008

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ (55,780)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures	4,516,638
Depreciation expense	(2,657,264)
	1,859,374

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Special assessments	(193,182)
Real property taxes	10,233
	(182,949)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bond issued	(1,500,000)
Principal paid on bonds	692,204
	(807,796)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(511,016)
Accrued interest	(28,505)
	(539,521)

Internal service funds are used by management to charge the costs of the Village's Central Garage to individual funds. The net revenue of the Internal Service Fund is reported within governmental activities.

	8,480
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Change in Net Assets of Governmental Activities	\$ 281,808
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL AND CAPITAL PROJECTS FUNDS
 YEAR ENDED MAY 31, 2008

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 25,591,004	\$ 25,591,004	\$ 25,623,720	\$ 32,716
Other tax items	520,600	520,600	195,994	(324,606)
Non-property taxes	2,881,000	2,881,000	3,155,303	274,303
Departmental income	2,815,278	2,815,278	2,877,292	62,014
Intergovernmental charges	112,500	112,500	98,095	(14,405)
Use of money and property	1,637,100	1,637,100	1,683,602	46,502
Licenses and permits	1,376,500	1,376,500	1,652,034	275,534
Fines and forfeitures	692,000	692,000	678,570	(13,430)
Sale of property and compensation for loss	75,000	75,000	91,647	16,647
State aid	2,654,470	2,685,090	1,212,615	(1,472,475)
Federal aid	-	95,310	95,310	-
Miscellaneous	357,000	357,000	393,950	36,950
Total Revenues	38,712,452	38,838,382	37,758,132	(1,080,250)
EXPENDITURES				
Current:				
General government support	7,475,849	7,193,811	6,711,810	482,001
Public safety	10,328,153	10,432,332	10,198,569	233,763
Culture and recreation	2,438,752	2,439,164	2,298,323	140,841
Home and community services	6,295,555	6,473,003	6,266,023	206,980
Employee benefits	8,768,628	8,768,628	8,476,431	292,197
Capital outlay	-	-	-	-
Debt Service:				
Principal	692,204	692,204	692,204	-
Interest	286,337	286,337	286,337	-
Total Expenditures	36,285,478	36,285,479	34,929,697	1,355,782
Excess (Deficiency) of Revenues Over Expenditures	2,426,974	2,552,903	2,828,435	275,532
OTHER FINANCING SOURCES (USES)				
Sale of real property	-	-	19,307	19,307
Bonds issued	-	-	-	-
Transfers in	1,611,960	1,655,960	3,638,786	1,982,826
Transfers out	(4,634,295)	(6,974,225)	(6,974,225)	-
Total Other Financing Sources (Uses)	(3,022,335)	(5,318,265)	(3,316,132)	2,002,133
Net Change in Fund Balances	(595,361)	(2,765,362)	(487,697)	2,277,665
Fund Balances - Beginning of Year, as reported	595,361	2,765,362	8,208,494	5,443,132
Prior Period Adjustment	-	-	-	-
Fund Balances - End of Year, as restated	595,361	2,765,362	8,208,494	5,443,132
Fund Balances - End of Year	\$ -	\$ -	\$ 7,720,797	\$ 7,720,797

The accompanying notes are an integral part of the financial statements.

Capital Projects Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
150,000	150,000	232,070	82,070
-	-	-	-
-	-	-	-
-	-	-	-
8,900,000	8,946,584	269,929	(8,676,655)
-	143,479	329,790	186,311
756,000	676,634	149,681	(526,953)
<u>9,806,000</u>	<u>9,916,697</u>	<u>981,470</u>	<u>(8,935,227)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
29,249,785	30,592,512	5,301,480	25,291,032
-	-	-	-
-	-	-	-
<u>29,249,785</u>	<u>30,592,512</u>	<u>5,301,480</u>	<u>25,291,032</u>
<u>(19,443,785)</u>	<u>(20,675,815)</u>	<u>(4,320,010)</u>	<u>16,355,805</u>
-	-	-	-
12,238,000	12,238,000	1,500,000	(10,738,000)
2,271,000	4,610,930	4,464,161	(146,769)
(351,000)	(1,458,900)	(1,458,900)	-
<u>14,158,000</u>	<u>15,390,030</u>	<u>4,505,261</u>	<u>(10,884,769)</u>
<u>(5,285,785)</u>	<u>(5,285,785)</u>	<u>185,251</u>	<u>5,471,036</u>
5,285,785	5,285,785	5,999,947	714,162
-	-	304,813	304,813
<u>5,285,785</u>	<u>5,285,785</u>	<u>6,304,760</u>	<u>1,018,975</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,490,011</u>	<u>\$ 6,490,011</u>

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MAY 31, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Pool	Totals	
<u>ASSETS</u>				
Current Assets:				
Cash and equivalents	\$ 3,921,335	\$ 709,451	\$ 4,630,786	\$ 124
Investments	2,140,000	-	2,140,000	-
Accounts receivable	286,153	-	286,153	-
Interest receivable	-	116	116	-
Due from other governments	-	-	-	135,875
Due from other funds	700	-	700	-
Prepaid expenses	57,180	12,000	69,180	61,194
Total Current Assets	6,405,368	721,567	7,126,935	197,193
Capital Assets:				
Land	31,789	118,000	149,789	-
Buildings	2,012,985	2,297,210	4,310,195	2,114,268
Machinery and equipment	1,016,725	173,288	1,190,013	230,245
Infrastructure	1,601,086	244,245	1,845,331	-
Construction-in-progress	1,583,665	213,828	1,797,493	-
	6,246,250	3,046,571	9,292,821	2,344,513
Less - Accumulated depreciation	(3,315,760)	(1,548,299)	(4,864,059)	(1,115,728)
Total Capital Assets, net of accumulated depreciation	2,930,490	1,498,272	4,428,762	1,228,785
Total Assets	9,335,858	2,219,839	11,555,697	1,425,978
<u>LIABILITIES</u>				
Current Liabilities:				
Accounts payable	271,506	4,404	275,910	207,568
Accrued liabilities	805,925	9,118	815,043	80,032
Accrued interest payable	31,655	13,016	44,671	-
Retained percentages	28,719	3,787	32,506	-
Due to other funds	-	9,037	9,037	-
Unearned revenues	-	572,488	572,488	-
Current maturities of bonds payable	22,500	141,637	164,137	87,000
Current portion of compensated absences	24,776	-	24,776	16,945
Total Current Liabilities	1,185,081	753,487	1,938,568	391,545
Noncurrent Liabilities:				
Bonds payable, less current maturities	1,477,500	813,318	2,290,818	219,000
Compensated absences, less current portion	222,987	-	222,987	152,509
	1,700,487	813,318	2,513,805	371,509
Total Liabilities	2,885,568	1,566,805	4,452,373	763,054
<u>NET ASSETS</u>				
Invested in Capital Assets, net of related debt	2,409,277	543,317	2,952,594	922,785
Unrestricted	4,041,013	109,717	4,150,730	(259,861)
Total Net Assets	\$ 6,450,290	\$ 653,034	\$ 7,103,324	\$ 662,924

The accompanying notes are an integral part of the financial statements.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED MAY 31, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Pool	Totals	
Operating Revenues - Charges for services	\$ 5,104,537	\$ 920,648	\$ 6,025,185	\$ 2,581,009
Operating Expenses:				
Taxes on Village property	50,855	2,691	53,546	-
Personal services	758,161	355,432	1,113,593	869,619
Contractual services	44,357	72,135	116,492	1,199,259
Supplies	122,666	54,706	177,372	-
Utilities	91,322	48,110	139,432	-
Employee benefits	333,236	38,773	372,009	408,427
Insurance	39,178	20,615	59,793	-
Repairs and maintenance	73,126	40,829	113,955	-
Equipment maintenance	44,446	22,546	66,992	-
Depreciation	145,537	142,909	288,446	54,196
Purchase of water	1,881,192	-	1,881,192	-
Property services	155,250	-	155,250	-
Miscellaneous	12,180	36,139	48,319	-
Total Operating Expenses:	3,751,506	834,885	4,586,391	2,531,501
Income from Operations	1,353,031	85,763	1,438,794	49,508
Non-Operating Revenues (Expenses):				
Interest income	185,555	16,123	201,678	1,218
Interest expense	(31,655)	(39,930)	(71,585)	(18,346)
Total Non-Operating Revenues (Expenses)	153,900	(23,807)	130,093	(17,128)
Loss Before Transfers	1,506,931	61,956	1,568,887	32,380
Transfers:				
Transfer in	4,500	10,725	15,225	-
Transfer out	(280,600)	(42,200)	(322,800)	(23,900)
Total Transfers	(276,100)	(31,475)	(307,575)	(23,900)
Change in Net Assets	1,230,831	30,481	1,261,312	8,480
Net Assets - Beginning of Year	5,219,459	622,553	5,842,012	654,444
Net Assets - End of Year	\$ 6,450,290	\$ 653,034	\$ 7,103,324	\$ 662,924

The accompanying notes are an integral part of the financial statements.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED MAY 31, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water	Pool	Totals	
Cash Flows From Operating Activities:				
Cash received from charges for services	\$ 5,120,688	\$ 920,648	\$ 6,041,336	\$ 2,602,808
Cash payments for goods or services	(1,474,491)	(467,489)	(1,941,980)	(1,136,765)
Cash payments to employees	(1,103,953)	(390,206)	(1,494,159)	(1,336,768)
Net Cash Provided by Operating Activities	2,542,244	62,953	2,605,197	129,275
Cash Flows From Non-Capital Financing Activities:				
Transfers in	4,500	10,725	15,225	-
Transfers out	(280,600)	(42,200)	(322,800)	(23,900)
Net Cash Used in Non-Capital Financing Activities	(276,100)	(31,475)	(307,575)	(23,900)
Cash Flows From Capital and Related Financing Activities:				
Principal paid on bonds	-	(135,796)	(135,796)	(87,000)
Proceeds from serial bonds	1,500,000	-	1,500,000	-
Interest paid on indebtedness	-	(41,682)	(41,682)	(19,901)
Acquisition and construction of capital assets	(1,331,067)	-	(1,331,067)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	168,933	(177,478)	(8,545)	(106,901)
Cash Flow From Investing Activities				
Purchase of investments	(2,140,000)	-	(2,140,000)	-
Interest income	185,555	16,007	201,562	1,218
Net Cash Provided by (Used in) Investing Activities	(1,954,445)	16,007	(1,938,438)	1,218
Net Increase (Decrease) in Cash and Equivalents	480,632	(129,993)	350,639	(308)
Cash and Equivalents - Beginning of Year	3,440,703	839,444	4,280,147	432
Cash and Equivalents - End of Year	<u>\$ 3,921,335</u>	<u>\$ 709,451</u>	<u>\$ 4,630,786</u>	<u>\$ 124</u>
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:				
Income from operations	\$ 1,353,031	\$ 85,763	\$ 1,438,794	\$ 49,508
Adjustments to reconcile income from operations to net cash provided by operating activities:				
Depreciation	145,537	142,909	288,446	54,196
Changes in operating assets and liabilities:				
Accounts receivable	(5,034)	-	(5,034)	-
Due from other governments	-	-	-	21,799
Due from other funds	21,700	-	-	109,000
Prepaid expenses	(4,581)	(417)	(4,998)	1,850
Accounts payable	255,261	(39,936)	215,325	(73,532)
Accrued liabilities	730,169	(83,943)	646,226	(66,004)
Retained percentages	(11,849)	(6,924)	-	-
Due to other funds	(515)	6,228	-	-
Unearned revenues	28,719	(40,727)	(12,008)	-
Compensated absences	29,806	-	29,806	32,458
Net Cash Provided by Operating Activities	<u>\$ 2,542,244</u>	<u>\$ 62,953</u>	<u>\$ 2,605,197</u>	<u>\$ 129,275</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF SCARSDALE, NEW YORK

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
MAY 31, 2008

	<u>Agency</u>
ASSETS	
Cash:	
Demand deposits	\$ 61,419
Time deposits	1,900,000
Investments	4,180,900
Accounts Receivable	30,047
Securities and Mortgages	<u>69,945</u>
Total Assets	<u><u>\$ 6,242,311</u></u>
LIABILITIES	
Accounts Payable	\$ 357,908
Deposits	5,872,509
Other	<u>11,894</u>
Total Liabilities	<u><u>\$ 6,242,311</u></u>

The accompanying notes are an integral part of the financial statements.

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Note 1 - Summary of Significant Accounting Policies

The Village of Scarsdale is a municipality located in the State of New York. It began as a Town in the 1870's and was governed as a Town by a Town Board. The Town was incorporated as a Village in 1915 with coterminous Town and Village boundaries. The Village of Scarsdale operates under New York State's Village Law, General Municipal Law and Local Finance Law, as well as various other applicable laws of the State of New York. Except for certain required functions, the government operates as a village pursuant to State law. The Village Board of Trustees is the legislative body responsible for overall operations. Since the Town of Scarsdale was incorporated as a village, the same officers govern both, avoiding duplication of governmental services and costs. The Village Manager serves as the chief executive officer and the Village Treasurer as the chief financial officer. The Village provides the following services to its residents: public safety, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Village of Scarsdale, New York conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Village of Scarsdale, b) organizations for which the Village is financially accountable and c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Village, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Village's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole, except for interfund services provided and used. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets presents the financial position of the Village at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or

Note 1 - Summary of Significant Accounting Policies (Continued)

privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Village does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Funds are charges to customers for services. Operating expenses for the Enterprise Funds include the cost of services, administrative expenses and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Village maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Proprietary and fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Village's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the Village's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Village in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Town Fund - The Town Fund is used to record the collection and remittance of taxes for the Scarsdale School District and the County of Westchester and for certain revenues statutorily required to be recorded in the Town Fund. Information for the Town Fund is as of and for the year ended December 31, 2007.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

The Village also reports the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain defined purposes. The special revenue funds of the Village are as follows:

Library Fund - The Library Fund is used to account for the activities of the Village's Public Library.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Village in accordance with the terms of a trust agreement.

Permanent Fund - The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Village's programs.

- b. Proprietary Funds - Proprietary funds include enterprise and internal service funds. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. Internal service funds account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The operations of the Water and Pool Funds are recorded as enterprise funds. The Village has established its Central Garage Fund as an internal service fund. The Village applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise funds.
- c. Fiduciary Funds (Not Included in Government-Wide Statements) - Fiduciary Funds are used to account for assets held by the Village in an agency capacity on behalf of others.

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting and Financial Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. The Agency Fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities and Net Assets or Fund Balances

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Village's investment policies are governed by State statutes. The Village has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Village is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Note 1 - Summary of Significant Accounting Policies (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Village has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - The Village participates in a cooperative investment pool established pursuant to General Municipal Law. The sponsoring agency of the pool is another governmental unit, which acting through the fiscal officer is primarily responsible for executing the provisions of the cooperative agreement. The pool is authorized to invest in various securities issued by the United States and its agencies. The amount reported represents the amortized cost of the cooperative shares and is considered to approximate fair value. These investments are not subject to risk categorization. Additional information concerning the cooperative is presented in the annual report of the Cooperative Liquid Assets Securities System (CLASS).

Taxes Receivable - Real property taxes attach as an enforceable lien on property on July 1st. Real property taxes are due July 1st and are payable without penalty until August 1st. The Village is responsible for the billing and collection of its taxes. The Village is also responsible for in-rem foreclosure proceedings.

The Town of Scarsdale collects taxes for the County of Westchester and the Scarsdale School District. The Scarsdale School District taxes attach as an enforceable lien on property as of July 1st. School taxes are levied by the Town effective September 1st and are payable by the Town residents between September 1st and September 30th. County taxes attach as an enforceable lien on property as of January 1st. Taxes are levied by the County and are payable to the Town by Town residents between April 1st and April 30th.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the Scarsdale School District with respect to the collection and payment of real property taxes levied by such jurisdictions. The County charter provides for the Town to collect County taxes. The Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school district taxes, New York State Law and the County Charter provide that the Town satisfy the warrant of the school districts by April 5th of the fiscal year for which such taxes were levied. Thus, the Town's fiduciary responsibility for the County and School District's taxes is from the date of the levy until the respective due dates at which time the Town must satisfy its obligations to the respective jurisdictions, regardless of the amounts collected.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Village. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Note 1 - Summary of Significant Accounting Policies (Continued)

Due From/To Other Funds - During the course of its operations, the Village has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of May 31, 2008, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Prepaid expenses/expenditures consist of employee health insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items, which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the governmental funds are equally offset by a reservation of fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Village. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Village chose to include all such items regardless of their acquisition date or amount. The Village was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Land and construction-in-progress are not capitalized. Property, plant and equipment of the Village are depreciated using the straight-line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20
Buildings and Improvements	10-40
Infrastructure	20-40
Machinery and Equipment	5-10

Note 1 - Summary of Significant Accounting Policies (Continued)

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Unearned/Deferred Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In government-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Village has reported deferred revenues of \$205,438 for uncollected Village tax liens, \$73,217 for prepaid rent, \$673,631 for advance collections of tennis and day camp fees and \$686,590 for uncollected special assessments in the General Fund. The Village has also recorded \$572,488 for the advance collection of pool permits in the Pool Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation of service. The liability for such accumulated leave is reflected in the government-wide and proprietary fund financial statement as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, restricted for capital projects, debt service and special purposes. The balance is classified as unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances - Reserves and Designations - Portions of fund balance are segregated for future use and are therefore not available for future appropriation or expenditure. Amounts reserved for encumbrances, prepaid expenditures, land acquisitions and improvements, trusts and debt service represent portions of fund balance which are required to be segregated in accordance with State law or generally accepted accounting principles. Designation of unreserved fund balances in governmental funds indicates the utilization of these resources in the ensuing year's budget or tentative plans for future use.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Capital Projects funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Village generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Prior to March 20th, the budget officer submits to the Village Clerk a tentative operating budget for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the means of financing for the General, Library and Capital Projects funds.
- b) The Board of Trustees conducts a public hearing on the tentative budget to obtain taxpayer comments on or before April 15th.
- c) After the public hearing and on or before May 1st, the Trustees meet to consider and adopt the budget, at which time they are required to file the document with the Village Clerk.
- d) Formal budgetary integration is employed during the year as a management control device for the General, Library and Capital Projects funds.
- e) Budgets for the General, Capital Projects and Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted by the Board of Trustees for the Special Purpose, Town and Proprietary funds.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- f) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- g) Appropriations in the General, Capital Projects and Library funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees. Individual amendments for the current year were not material in relation to the original appropriations which were amended.

B. Property Tax Limitation

The Village is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the Village, exclusive of the amount raised for the payment of interest on and redemption of long-term debt. In accordance with this definition, the maximum amount of the levy for the 2008 fiscal year was \$143,168,859 which exceeded the actual levy by \$120,279,896. The Town component is not limited to the maximum amount of real property taxes which may be raised.

C. Future Application of Accounting Standard

Retiree health care costs have traditionally been accounted for and financed on a pay as you go basis. Each year's budget has included an appropriation for the current year's cost of retiree health care. Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB), requires that retiree health care costs be treated on an accrual basis, on the Village's "government-wide" financial statements. Presently, New York State has not established a vehicle to fund this liability. Recently the New York State Comptroller announced legislation to authorize the creation of trust funds to help State and local governments plan for the costs of OPEB.

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which is an actuarially determined amount. GASB Statement 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be recognized under the "pay-as-you-go" approach. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The Village has engaged an actuary and is presently reviewing the impact of such presentation of future costs of retiree health care coverage. GASB Statement No. 45 is effective for the Village's fiscal year ending May 31, 2009.

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds**A. Taxes Receivable**

Taxes receivable at May 31, 2008 consisted of the following:

Taxes - Overdue	\$ 192,052
Tax Liens	13,386
Taxes - School	1,642,323
Taxes - County	<u>264,072</u>
	<u>\$ 2,111,833</u>

B. Due From/To Other Funds

The balances reflected as due from/to other funds at May 31, 2008 were as follows:

	<u>Due From</u>	<u>Due To</u>
General	\$ 29,429	\$ 2,276
Capital	31,389	19,539
Non-Major Governmental	-	30,666
Business-type	<u>700</u>	<u>9,037</u>
	<u>\$ 61,518</u>	<u>\$ 61,518</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur. 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

Changes in the Village's capital assets are as follows:

<u>Class</u>	<u>Balance June 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance May 31, 2008</u>
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 3,860,985	\$ -	\$ -	\$ 3,860,985
Construction-in-progress	<u>1,693,774</u>	<u>2,684,826</u>	<u>858,048</u>	<u>3,520,552</u>
Total Capital Assets, not being depreciated	<u>\$ 5,554,759</u>	<u>\$ 2,684,826</u>	<u>\$ 858,048</u>	<u>\$ 7,381,537</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)**

Class	Balance June 1, 2007	Additions	Deletions	Balance May 31, 2008
Governmental Activities (Cont'd):				
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 7,500,773	\$ 421,396	\$ -	\$ 7,922,169
Land Improvements	2,951,958	433,738	-	3,385,696
Infrastructure	43,977,265	590,528	-	44,567,793
Machinery and Equipment	11,643,737	1,244,198	149,425	12,738,510
Total Capital Assets, being depreciated	66,073,733	2,689,860	149,425	68,614,168
Less Accumulated Depreciation for:				
Buildings and Improvements	3,009,043	380,258	-	3,389,301
Land Improvements	255,610	141,724	-	397,334
Infrastructure	30,605,945	1,382,255	-	31,988,200
Machinery and Equipment	8,785,941	807,223	149,425	9,443,739
Total Accumulated Depreciation	42,656,539	2,711,460	149,425	45,218,574
Total Capital Assets, being depreciated, net	\$ 23,417,194	\$ (21,600)	\$ -	\$ 23,395,594
Governmental Capital Assets, net	\$ 28,971,953	\$ 2,663,226	\$ 858,048	\$ 30,777,131
Class	Balance June 1, 2007	Additions	Deletions	Balance May 31, 2008
Business-Type Activities:				
Capital Assets, not being depreciated				
Land	\$ 149,789	\$ -	\$ -	\$ 149,789
Construction-in-progress	542,070	1,255,423	-	1,797,493
Total Capital Assets, not being depreciated	\$ 691,859	\$ 1,255,423	\$ -	\$ 1,947,282

VILLAGE OF SCARSDALE, NEW YORK

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

Class	Balance June 1, 2007	Additions	Deletions	Balance May 31, 2008
Business-Type Activities (Cont'd):				
Capital Assets, being depreciated:				
Buildings and Improvements	\$ 4,310,195	\$ -	\$ -	\$ 4,310,195
Infrastructure	1,845,331	-	-	1,845,331
Machinery and Equipment	1,128,858	75,646	14,491	1,190,013
Total Capital Assets, being depreciated	7,284,384	75,646	14,491	7,345,539
Less Accumulated Depreciation for:				
Buildings and Improvements	2,393,900	159,980	-	2,553,880
Infrastructure	1,316,630	36,765	-	1,353,395
Machinery and Equipment	879,574	91,701	14,491	956,784
Total Accumulated Depreciation	4,590,104	288,446	14,491	4,864,059
Total Capital Assets, being depreciated, net	\$ 2,694,280	\$ (212,800)	\$ -	\$ 2,481,480
Business-Type Capital Assets, net	\$ 3,386,139	\$ 1,042,623	\$ -	\$ 4,428,762

Depreciation expense was charged to the Village's functions and programs as follows:

Governmental Activities:

General Government Support	\$ 330,423
Public Safety	210,043
Culture and Recreation	326,822
Home and Community Services	1,844,172

Total Depreciation Expense -
Governmental Activities

\$ 2,711,460

Business-type Activities:

Water Fund	\$ 145,537
Pool Fund	142,909

Total Depreciation Expense -
Business-type Activities

\$ 288,446

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)**Construction Commitments**

The Village has active construction projects as of May 31, 2008. These projects include new construction and renovations. At year end, the Village had \$1,644,783 in construction encumbrances.

D. Pension Plans

The Village of Scarsdale, New York participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (Systems). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees who joined ERS after July 27, 1976 and have less than ten years of service, who contribute 3% of their salary. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion (GTLI) and regular pension contributions. Contribution rates for the plans' year ended March 31, 2008 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	12.0 %
	2 75I	11.0
	3 A14	8.8
	4 A15	8.8
	<u>Tier/Plan</u>	<u>Rate</u>
PFRS	1 384D	20.0 %
	2 384D	14.7
	2 384E	15.7
	2 375J	10.9

Contributions made to the Systems for the current and two preceding years were as follows:

	<u>ERS</u>	<u>PFRS</u>
2008	\$ 951,628	\$ 1,379,520
2007	989,615	1,138,930
2006	936,846	1,178,260

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008**Note 3 - Detailed Notes on All Funds (Continued)**

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current PFRS contributions for the Village of Scarsdale, New York were charged to the General Fund. The current ERS contributions were distributed as follows: \$665,897 to the General Fund, \$11,808 to the Water Fund, \$135,065 to the Library and \$12,521 to the Garage Fund.

E. Long-Term Liabilities

The following table summarizes changes in the Village's long-term indebtedness for the year ended May 31, 2008:

	Balance June 1, 2007	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2008	Due Within One-Year
Governmental Activities:					
Bonds Payable	\$ 7,489,249	\$ 1,500,000	\$ 779,204	\$ 8,210,045	\$ 825,863
Compensated Absences	3,549,326	898,407	354,933	4,092,800	409,280
	<u>\$ 11,038,575</u>	<u>\$ 2,398,407</u>	<u>\$ 1,134,137</u>	<u>\$ 12,302,845</u>	<u>\$ 1,235,143</u>
Business-Type Activities:					
Bonds Payable	\$ 1,090,751	\$ 1,500,000	\$ 135,796	\$ 2,454,955	\$ 164,137
Compensated Absences	217,957	51,602	21,796	247,763	24,776
Total Long-Term Liabilities	<u>\$ 1,308,708</u>	<u>\$ 1,551,602</u>	<u>\$ 157,592</u>	<u>\$ 2,702,718</u>	<u>\$ 188,913</u>

Each governmental fund's liability for compensated absences are liquidated by the respective fund. The Village's indebtedness for bonds is satisfied by the General Fund or the appropriate Enterprise Fund.

Bonds Payable

Bonds payable at May 31, 2008 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at May 31, 2008
Various Village Purposes	1992	\$ 4,645,000	July 2012	5.25%	\$ 675,000
Various Village Purposes	1996	1,370,000	September 2015	4.9% - 5.3%	275,000
Various Village Purposes	1997	1,175,000	January 2013	4.6% - 5.0%	375,000
Various Village Purposes	2001	5,650,000	August 2013	3.875% - 4.25%	3,270,000
Various Village Purposes	2002	1,550,000	July 2017	3.25% - 4.375%	1,190,000
Various Village Purposes	2004	2,000,000	September 2027	4.0% - 4.5%	1,880,000
Various Village Purposes	2008	3,000,000	November 2027	3.5% - 4.3%	3,000,000
					<u>\$ 10,665,000</u>

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures/expense of \$376,268 were recorded in the fund financial statements, as detailed below. Interest expense of \$404,773 was recorded in the government-wide financial statements.

<u>Fund</u>	<u>Amount</u>
Governmental Funds -	
General-Village	\$ 286,337
Proprietary Funds -	
Enterprise – Water Fund	31,655
Enterprise-Pool Fund	39,930
Internal Service-Central Garage Fund	18,346
	<u>\$ 376,268</u>

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of May 31, 2008, including interest payments of \$3,268,423 are as follows:

Year Ending May 31,	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Total
2009	\$ 825,863	\$ 359,553	\$ 164,137	\$ 123,487	\$ 990,000	\$ 483,040
2010	878,562	293,707	201,438	87,142	1,080,000	380,849
2011	873,761	256,117	211,239	79,158	1,085,000	335,275
2012	878,960	218,227	221,040	70,691	1,100,000	288,918
2013	780,620	182,669	229,380	61,768	1,010,000	244,437
2014-2018	1,867,279	596,553	507,721	224,243	2,375,000	820,796
2019-2023	887,500	354,581	412,500	150,271	1,300,000	504,852
2024-2028	1,082,500	151,339	507,500	55,879	1,590,000	207,218
2029-2030	135,000	3,038	-	-	135,000	3,038
	<u>\$ 8,210,045</u>	<u>\$ 2,415,784</u>	<u>\$ 2,454,955</u>	<u>\$ 852,639</u>	<u>\$ 10,665,000</u>	<u>\$ 3,268,423</u>

The above general obligation bonds are direct obligations of the Village for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Village.

Compensated Absences

Vacation time is generally taken in the year earned, although certain employees may accumulate up to two years of vacation time. Pursuant to the terms of its collective bargaining agreements, clerical, administrative, firefighters and library employees may accrue unlimited sick days; police officers may accrue up to 375 sick days; public works employees may accrue up to 200 sick days and crossing guards may accrue up to 115 sick days. Upon retirement all

NOTES TO FINANCIAL STATEMENTS (Continued)
MAY 31, 2008

Note 3 - Detailed Notes on All Funds (Continued)

employees may be paid their unused accumulated vacation days. Most employees are paid up to 1/3 their unused accumulated sick days. The police payout for sick days is 40% and the Fire Department payout is 33% of 1500 hours or a maximum of 533 hours. The Teamsters' sick day payout is based on a formula: 25% of the first 100 days unused accumulated sick leave days and 1/3 of the next 100 days unused, accumulated sick leave days to a maximum of 200 days. The value of all compensated absences has been reflected in the government-wide and proprietary fund financial statements.

F. Revenues and Expenditures**Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

Transfers Out	Transfers In					Total
	General	Capital Projects	Non-Major Governmental	Internal Service	Business-Type	
General	\$ -	\$ 4,127,180	\$ 2,836,320	\$ -	\$ 10,725	\$ 6,974,225
Town	1,183,998	-	-	-	-	1,183,998
Capital Projects	1,458,900	-	-	-	-	1,458,900
Non-Major Governmental	4,860	186,981	21,946	-	-	213,787
Internal Service	23,900	-	-	-	-	23,900
Business-Type	168,300	150,000	-	-	4,500	322,800
Reconciling Item: Village/Town (Note 1)	798,828	-	-	-	-	798,828
	<u>\$ 3,638,786</u>	<u>\$ 4,464,161</u>	<u>\$ 2,858,266</u>	<u>\$ -</u>	<u>\$ 15,225</u>	<u>\$ 10,976,438</u>

Transfers are used to 1) move funds earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move funds from the operating funds to fulfill commitments for Library Fund expenditures and 3) move amounts earmarked in the operating funds to fulfill commitments of the General, Water and Pool Funds.

Post-Employment Health Care Benefits

In addition to providing pension benefits, the Village provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Village may vary according to length of service. The cost of providing post-employment health care benefits is shared between the Village and the retired employees. Substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The cost of retiree health care benefits is recognized as expenditures/expenses as claims are paid. During the year, \$1,751,220 was paid on behalf of 180 retirees and this amount was recorded as an expenditure/expense in the various funds.

Note 3 - Detailed Notes on All Funds (Continued)

G. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, net of Related Debt - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net assets that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Debt Service - the component of net assets that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Purpose Funds - the component of net assets that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

H. Fund Balances

The reserved and unreserved elements of fund balance are described below:

Reserved

Encumbrances outstanding have been reserved as it is the Village's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transaction.

The Reserve for Prepaid Expenditures has been established to account for the purchase of day camp supplies made in advance. This reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

The Reserve for Land Acquisitions and Improvements has been established pursuant to General Municipal Law to set aside funds to be used for future capital projects.

The Reserve for Trusts has been established to set aside funds in accordance with terms of the grants.

The Reserve for Debt Service represents a segregation of the fund balance for debt service in accordance with the provisions of the Local Finance Law of the State of New York.

Note 3 - Detailed Notes on All Funds (Continued)

Unreserved - Designated

Designations of fund balance are not legally required segregations, but represent intended use for a specific purpose. The following reflects Village's designations at May 31, 2008.

Designated for Subsequent Year's Expenditures - At May 31, 2008, the Village Board has designated that \$259,685 of the fund balance of the General Fund, \$1,642,805 of the fund balance of the Capital Projects Fund, \$5,517,523 of the fund balance of the Water Fund and \$95,000 of the fund balance of the Library Fund be appropriated for the ensuing year's budget.

Designated for Future Capital Projects – This designation, established by the Village Board, is used to segregate a portion of the fund balance of the General Fund to be utilized for the purpose of funding future Village capital projects.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Village is involved in various claims and lawsuits, arising in the normal course of operations. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Village's financial position.

The Village is also defendant in numerous tax certiorari proceedings, the results of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year the payments are made.

B. Remediation

Included in the settlement of the water rates case with New York City was the authority for the renovation. The Village was able to begin the required upgrade to the Ardsley Road Pump Station. During the early phases of the work it was determined that there were pcb's in the paint used on the equipment. A contractor was retained to remove the pcb's. Further testing revealed that the pcb's had spread to the soil at the site. The Village has retained qualified contractors through its consultant to remove the pollutants and has accrued \$665,000 to accomplish this in the Water Enterprise Fund based on estimates obtained by the consultant.

C. Risk Management

The Village purchases various insurance coverages to reduce its exposure to loss. The Village maintains general liability and public entity management liability insurance coverage, with policy limits of \$2 million and \$5 million, respectively. The Village also maintains an umbrella policy which provides coverage up to \$15 million. Worker's compensation is secured with statutory coverages. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Village also purchases conventional health insurance from various providers.

NOTES TO FINANCIAL STATEMENTS (Concluded)
MAY 31, 2008

Note 5 - Prior Period Adjustments

The Marx Family Foundation contributed \$275,000 in 2006 to finance a capital project which was completed in 2007. The expenditures were charged to the Capital Projects Fund, however, the principle and accumulated interest earnings remained in the Special Purpose Fund. The prior period adjustment in the amount of \$304,813 corrects this error.

Certain non-refundable deposits pertaining to parking spaces and parkland recreations were previously incorrectly recorded in the Agency Fund. A prior period adjustment was made in the amount of \$344,497, (\$49,183) parking, (\$295,314) parkland recreation to correct this error.

	<u>Agency</u>	<u>Special Purpose</u>	<u>Capital</u>
Marx Family Foundation	\$	\$ (304,813)	\$ 304,813
Non-Refundable Deposits			
Parking	(49,183)	49,183	
Parkland Recreation	<u>(295,314)</u>	<u>295,314</u>	<u> </u>
	<u>\$ (344,497)</u>	<u>\$ 39,684</u>	<u>\$ 304,813</u>

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VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND
COMPARATIVE BALANCE SHEET
May 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 7,910,249	\$ 9,581,528
Petty cash	1,355	1,380
	<u>7,911,604</u>	<u>9,582,908</u>
Investments	<u>1,600,000</u>	<u>-</u>
Taxes Receivable	<u>205,438</u>	<u>195,205</u>
Other Receivables:		
Accounts	58,957	143,219
Special assessments	826,240	962,224
State and Federal aid	730,765	1,088,545
Due from other funds	29,429	16,620
Due from other governments	75,009	92,443
	<u>1,720,400</u>	<u>2,303,051</u>
Prepaid Expenditures	<u>753,281</u>	<u>794,700</u>
Total Assets	<u>\$ 12,190,723</u>	<u>\$ 12,875,864</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,965,097	\$ 1,589,505
Accrued liabilities	488,609	848,152
Due to other funds	2,276	131,400
Due to retirement systems	375,068	414,731
Deferred revenues - Taxes	205,438	195,205
Deferred revenues - Other	1,433,438	1,488,377
Total Liabilities	<u>4,469,926</u>	<u>4,667,370</u>
Fund Balance:		
Reserved for encumbrances	439,772	335,676
Reserved for prepaid expenditures	753,281	794,700
Reserved for debt service	136,274	139,360
Unreserved:		
Designated for subsequent year's expenditures	259,685	259,685
Designated for contractual obligations	200,000	-
Designated for capital projects	750,000	1,920,000
Undesignated	5,181,785	4,759,073
Total Fund Balance	<u>7,720,797</u>	<u>8,208,494</u>
Total Liabilities and Fund Balance	<u>\$ 12,190,723</u>	<u>\$ 12,875,864</u>

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Real property taxes	\$ 25,591,004	\$ 25,591,004	\$ 25,623,720	\$ 32,716
Other tax items	520,600	520,600	195,994	(324,606)
Non-property taxes	2,881,000	2,881,000	3,155,303	274,303
Departmental income	2,815,278	2,815,278	2,877,292	62,014
Intergovernmental revenues	112,500	112,500	98,095	(14,405)
Use of money and property	1,637,100	1,637,100	1,683,602	46,502
Licenses and permits	1,376,500	1,376,500	1,652,034	275,534
Fines and forfeitures	692,000	692,000	678,570	(13,430)
Sale of property and compensation for loss	75,000	75,000	91,647	16,647
State aid	2,654,470	2,685,090	1,212,615	(1,472,475)
Federal aid	-	95,310	95,310	-
Miscellaneous	357,000	357,000	393,950	36,950
Total Revenues	38,712,452	38,838,382	37,758,132	(1,080,250)
Expenditures:				
Current:				
General government support	7,475,849	7,193,811	6,711,810	482,001
Public safety	10,328,153	10,432,332	10,198,569	233,763
Culture and recreation	2,438,752	2,439,164	2,298,323	140,841
Home and community services	6,295,555	6,473,003	6,266,023	206,980
Employee benefits	8,768,628	8,768,628	8,476,431	292,197
Debt service:				
Principal	692,204	692,204	692,204	-
Interest	286,337	286,337	286,337	-
Total Expenditures	36,285,478	36,285,479	34,929,697	1,355,782
Excess of Revenues Over Expenditures	2,426,974	2,552,903	2,828,435	275,532
Other Financing Sources (Uses):				
Sale of real property	-	-	19,307	19,307
Transfers in	1,611,960	1,655,960	3,638,786	1,982,826
Transfers out	(4,634,295)	(6,974,225)	(6,974,225)	-
Total Other Financing Uses	(3,022,335)	(5,318,265)	(3,316,132)	2,002,133
Net Change in Fund Balance	(595,361)	(2,765,362)	(487,697)	2,277,665
Fund Balance - Beginning of Year	595,361	2,765,362	8,208,494	5,443,132
Fund Balance - End of Year	\$ -	\$ -	\$ 7,720,797	\$ 7,720,797

2007

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 24,409,874	\$ 24,409,874	\$ 24,410,382	\$ 508
460,300	460,300	183,575	(276,725)
2,841,000	2,841,000	2,878,238	37,238
2,804,253	2,804,253	2,809,509	5,256
144,625	144,625	89,311	(55,314)
1,336,100	1,336,100	1,609,082	272,982
1,431,200	1,431,200	1,923,983	492,783
650,000	650,000	809,481	159,481
70,000	70,000	231,923	161,923
2,383,200	2,383,200	1,576,198	(807,002)
-	-	-	-
272,000	272,000	429,172	157,172
36,802,552	36,802,552	36,950,854	148,302
6,503,066	6,713,323	6,030,737	682,586
9,747,731	9,532,331	9,476,505	55,826
2,381,943	2,326,240	2,266,200	60,040
5,920,385	6,110,291	6,066,185	44,106
8,587,771	8,448,246	8,153,226	295,020
669,504	669,504	669,504	-
314,257	314,257	314,257	-
34,124,657	34,114,192	32,976,614	1,137,578
2,677,895	2,688,360	3,974,240	1,285,880
-	250,000	366,989	116,989
530,400	530,400	2,111,114	1,580,714
(3,487,480)	(4,481,480)	(4,481,480)	-
(2,957,080)	(3,701,080)	(2,003,377)	1,697,703
(279,185)	(1,012,720)	1,970,863	2,983,583
279,185	1,012,720	6,237,631	5,224,911
\$ -	\$ -	\$ 8,208,494	\$ 8,208,494

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
YEAR ENDED MAY 31, 2008
(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
PROPERTY TAXES	\$ 25,591,004	\$ 25,591,004	\$ 25,623,720	\$ 32,716	\$ 24,410,382
OTHER TAX ITEMS					
Special assessments	140,600	140,600	136,274	(4,326)	139,360
Interest and penalties - Taxes	380,000	380,000	59,720	(320,280)	44,215
	520,600	520,600	195,994	(324,606)	183,575
NON-PROPERTY TAXES					
Non-property tax distribution from County	2,315,000	2,315,000	2,465,871	150,871	2,261,561
Utilities gross receipts tax	336,000	336,000	412,932	76,932	365,370
Franchise fees	230,000	230,000	276,500	46,500	251,307
	2,881,000	2,881,000	3,155,303	274,303	2,878,238
DEPARTMENTAL INCOME					
Clerks fees	3,500	3,500	3,540	40	3,200
Police Department fees	5,000	5,000	5,791	791	6,748
Fire Department fees	5,000	5,000	4,850	(150)	6,275
Safety inspection fees	100,000	100,000	181,519	81,519	175,291
Public Works fees	10,000	10,000	9,675	(325)	10,270
Parking fees	1,184,000	1,184,000	1,262,323	78,323	1,087,822
Parks and recreation fees	1,431,278	1,431,278	1,303,320	(127,958)	1,348,981
Zoning and Appeals Board fees	12,000	12,000	15,125	3,125	20,075
Planning Board fees	10,000	10,000	10,165	165	7,790
Disposal site fees	39,500	39,500	56,904	17,404	48,587
Board of Architectural Review fees	15,000	15,000	24,080	9,080	22,012
Alarm monitoring fees	-	-	-	-	72,458
	2,815,278	2,815,278	2,877,292	62,014	2,809,509

INTERGOVERNMENTAL REVENUES

Snow removal	25,000	25,000	10,595	(14,405)	23,686
Board of Education	87,500	87,500	87,500	-	65,625

USE OF MONEY AND PROPERTY

Interest earnings	1,112,000	1,112,000	1,151,196	39,196	1,131,896
Rental income	525,000	525,000	532,406	7,406	477,186
Commissions	100	100	-	(100)	-

LICENSES AND PERMITS

Occupational licenses	4,500	4,500	7,960	3,460	7,120
Dog licenses	5,500	5,500	5,566	66	5,761
Marriage licenses	3,000	3,000	-	(3,000)	-
Building permits	940,000	940,000	1,190,091	250,091	1,474,732
Alarm user annual permits	306,000	306,000	310,382	4,382	246,011
Other permits	117,500	117,500	138,035	20,535	190,359

FINES AND FORFEITURES

Justice Court fines	617,000	617,000	627,762	10,762	736,637
Alarm fines	75,000	75,000	50,808	(24,192)	72,844

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	692,000	692,000	678,570	(13,430)	809,481
Sale of equipment - Trucks and cars	25,000	25,000	26,695	1,695	6,593
Worker's compensation insurance recoveries	25,000	25,000	23,548	(1,452)	126,750
Payment for loss of revenue - Christy Place	25,000	25,000	41,404	16,404	8,580

	-	-	-	-	90,000
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(Continued)

	75,000	75,000	91,647	16,647	231,923
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VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET (Continued)

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
STATE AID					
Per capita	\$ 200,470	\$ 200,470	\$ 145,699	\$ (54,771)	\$ 141,455
Mortgage tax	2,438,000	2,438,000	1,030,188	(1,407,812)	1,422,171
STAR reimbursement	4,000	4,000	-	(4,000)	-
Disaster Aid	-	30,620	30,620	-	-
Traffic safety	-	-	569	569	-
Youth programs	12,000	12,000	5,539	(6,461)	12,572
	2,654,470	2,685,090	1,212,615	(1,472,475)	1,576,198
FEDERAL AID	-	95,310	95,310	-	-
MISCELLANEOUS					
Refunds of prior year's expenditures	10,000	10,000	3,328	(6,672)	10,707
Gifts and donations	-	-	641	641	755
Employee health insurance reimbursements	155,000	155,000	196,238	41,238	184,968
Other	192,000	192,000	193,743	1,743	232,742
	357,000	357,000	393,950	36,950	429,172
	38,712,452	38,838,382	37,758,132	(1,080,250)	36,950,854
TOTAL REVENUES					
	-	-	19,307	19,307	366,989
OTHER FINANCING SOURCES					
Sale of real property	-	-			
Transfers in:					
Town Fund	-	-	1,982,826	1,982,826	1,580,714
Capital Projects Fund	1,414,900	1,458,900	1,458,900	-	340,000
Non-Major Governmental Funds	4,860	4,860	4,860	-	4,700
Pool Fund	37,700	37,700	37,700	-	36,400
Water Fund	130,600	130,600	130,600	-	126,200
Garage Fund	23,900	23,900	23,900	-	23,100
	1,611,960	1,655,960	3,638,786	1,982,826	2,111,114
	1,611,960	1,655,960	3,658,093	2,002,133	2,478,103
TOTAL OTHER FINANCING SOURCES					
	\$ 40,324,412	\$ 40,494,342	\$ 41,416,225	\$ 921,883	\$ 39,428,957
TOTAL REVENUES AND OTHER FINANCING SOURCES					

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
GENERAL GOVERNMENT SUPPORT					
Municipal court	\$ 399,637	\$ 411,135	\$ 379,750	\$ 31,385	\$ 383,694
Village manager	819,502	854,714	772,601	82,113	706,147
Village treasurer	543,824	561,437	555,664	5,773	502,794
Assessor	223,916	248,649	245,917	2,732	217,133
Village clerk	200,404	200,892	170,970	29,922	172,404
Village attorney	396,580	448,155	369,852	78,303	383,700
Human resources	229,969	243,695	221,987	21,708	220,824
Information technology	490,453	490,453	406,103	84,350	327,253
Building and safety inspection	519,855	519,855	469,332	50,523	437,004
Planning	207,066	207,066	204,422	2,644	264,435
Human services	467,550	467,550	457,050	10,500	378,576
Utilities	166,000	151,080	169,919	(18,839)	164,486
Liability insurance	577,703	592,624	451,574	141,050	388,359
Central garage	1,389,774	1,479,774	1,479,774	-	1,152,472
Miscellaneous	843,616	316,732	356,895	(40,163)	331,456
	<u>7,475,849</u>	<u>7,193,811</u>	<u>6,711,810</u>	<u>482,001</u>	<u>6,030,737</u>
PUBLIC SAFETY					
Police	5,560,799	5,571,532	5,390,508	181,024	4,991,110
Fire	4,767,354	4,860,800	4,808,061	52,739	4,485,395
	<u>10,328,153</u>	<u>10,432,332</u>	<u>10,198,569</u>	<u>233,763</u>	<u>9,476,505</u>

CULTURE AND RECREATION

Parks and recreation - Administration
 Youth camps
 Nature center
 Playgrounds
 Recreation
 Senior citizens
 Tennis

469,590	505,641	499,889	5,752	472,251
646,367	647,828	610,896	36,932	588,802
89,692	89,898	92,179	(2,281)	81,515
342,559	327,700	324,402	3,298	316,692
571,073	550,862	472,888	77,974	522,314
45,126	40,741	37,066	3,675	38,045
274,345	276,494	261,003	15,491	246,581
2,438,752	2,439,164	2,298,323	140,841	2,266,200

HOME AND COMMUNITY SERVICES

Administration
 Engineer
 Facilities maintenance
 Highway
 Sanitation

342,822	392,204	389,715	2,489	370,830
278,788	234,526	233,969	557	281,089
1,069,910	997,122	954,057	43,065	965,731
2,570,873	2,759,975	2,688,865	71,110	2,470,023
2,033,162	2,089,176	1,999,417	89,759	1,978,512
6,295,555	6,473,003	6,266,023	206,980	6,066,185

EMPLOYEE BENEFITS

State retirement
 Social security
 Workers' compensation
 Hospital and medical insurance
 Unemployment benefits
 Compensated absences
 Life insurance

1,950,149	1,815,218	2,045,417	(230,199)	2,056,120
1,440,000	1,492,339	1,387,660	104,679	1,253,103
538,072	602,045	474,099	127,946	516,989
4,595,207	4,595,207	4,381,890	213,317	4,132,475
35,000	33,748	36,252	(2,504)	61,158
170,000	189,871	118,674	71,197	97,718
40,200	40,200	32,439	7,761	35,663
8,768,628	8,768,628	8,476,431	292,197	8,153,226

DEBT SERVICE

Serial Bonds:
 Principal
 Interest

692,204	692,204	692,204	-	669,504
286,337	286,337	286,337	-	314,257
978,541	978,541	978,541	-	983,761
36,285,478	36,285,479	34,929,697	1,355,782	32,976,614

TOTAL EXPENDITURES

(Continued)

VILLAGE OF SCARSDALE, NEW YORK

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES COMPARED TO BUDGET (Continued)

YEAR ENDED MAY 31, 2008

(With Comparative Actuals for 2007)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2007 Actual
OTHER FINANCING USES					
Transfers out:					
Capital Projects Fund	\$ 1,787,250	\$ 4,127,180	\$ 4,127,180	\$ -	\$ 1,727,000
Internal Service Fund	-	-	-	-	109,000
Non-Major Governmental Funds	2,836,320	2,836,320	2,836,320	-	2,634,755
Pool Fund	10,725	10,725	10,725	-	10,725
Total Other Financing Uses	4,634,295	6,974,225	6,974,225	-	4,481,480
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 40,919,773	\$ 43,259,704	\$ 41,903,922	\$ 1,355,782	\$ 37,458,094

VILLAGE OF SCARSDALE, NEW YORK

TOWN FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash - Demand deposits	\$ 910,180	\$ 1,119,349
Investments	131,254	36,701
Taxes Receivable:		
School district	1,642,323	1,704,239
County	264,072	212,129
	1,906,395	1,916,368
Total Assets	<u>\$ 2,947,829</u>	<u>\$ 3,072,418</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities - Due to other governments	\$ 1,478,441	\$ 1,906,612
Fund Balance - Unreserved and undesignated	1,469,388	1,165,806
Total Liabilities and Fund Balance	<u>\$ 2,947,829</u>	<u>\$ 3,072,418</u>

VILLAGE OF SCARSDALE, NEW YORK

TOWN FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE

YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Revenues:		
Real property taxes	\$ 714,420	\$ 447,871
Other tax items	393,168	337,169
Departmental income	2,285	2,343
Use of money and property	364,600	294,105
State aid	5,550	5,582
Miscellaneous	7,557	10,768
Total Revenues	1,487,580	1,097,838
Expenditures	-	-
Excess of Revenues Over Expenditures	1,487,580	1,097,838
Other Financing Uses -		
Transfers out	(1,183,998)	(937,466)
Net Change in Fund Balance	303,582	160,372
Fund Balance - Beginning of Year	1,165,806	1,005,434
Fund Balance - End of Year	\$ 1,469,388	\$ 1,165,806

VILLAGE OF SCARSDALE, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 1,538,933	\$ 6,351,015
Time deposits	1,430,000	-
	<u>2,968,933</u>	<u>6,351,015</u>
Investments	<u>4,224,212</u>	<u>-</u>
Receivables:		
Accounts	19,539	-
Due from other funds	31,389	-
	<u>50,928</u>	<u>-</u>
Total Assets	<u>\$ 7,244,073</u>	<u>\$ 6,351,015</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 177,060	\$ 227,363
Accrued liabilities	271,186	53,457
Retainages payable	101,470	70,248
Deferred revenues	184,807	-
Due to other funds	19,539	-
Total Liabilities	<u>754,062</u>	<u>351,068</u>
Fund Balance:		
Reserved for encumbrances	1,644,783	3,812,785
Reserved for land acquisition and improvements	428,386	421,699
Unreserved:		
Designated for subsequent years' budget	1,642,805	1,473,000
Unreserved and Undesignated	2,774,037	292,463
Total Fund Balance	<u>6,490,011</u>	<u>5,999,947</u>
Total Liabilities and Fund Balance	<u>\$ 7,244,073</u>	<u>\$ 6,351,015</u>

VILLAGE OF SCARSDALE, NEW YORK

CAPITAL PROJECTS FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Use of money and property	\$ 150,000	\$ 150,000	\$ 232,070	\$ 82,070
State aid	8,900,000	8,946,584	269,929	(8,676,655)
Federal aid	-	143,479	329,790	186,311
Miscellaneous	756,000	676,634	149,681	(526,953)
Total Revenues	9,806,000	9,916,697	981,470	(8,935,227)
Expenditures - Capital outlay	29,249,785	30,592,512	5,301,480	25,291,032
Deficiency of Revenues Over Expenditures	(19,443,785)	(20,675,815)	(4,320,010)	16,355,805
Other Financing Sources (Uses):				
Bonds issued	12,238,000	12,238,000	1,500,000	(10,738,000)
Transfers in	2,271,000	4,610,930	4,464,161	(146,769)
Transfers out	(351,000)	(1,458,900)	(1,458,900)	-
Total Other Financing Sources	14,158,000	15,390,030	4,505,261	(10,884,769)
Net Change in Fund Balance	(5,285,785)	(5,285,785)	185,251	5,471,036
Fund Balance - Beginning of Year, as reported	5,285,785	5,285,785	5,999,947	714,162
Prior Period Adjustment	-	-	304,813	304,813
Fund Balance - Beginning of Year, as restated	5,285,785	5,285,785	6,304,760	1,018,975
Fund Balance - End of Year	\$ -	\$ -	\$ 6,490,011	\$ 6,490,011

2007

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 80,000	\$ 80,000	\$ 303,193	\$ 223,193
9,974,500	9,974,500	311,040	(9,663,460)
20,000	20,000	53,264	33,264
983,000	995,000	678,121	(316,879)
11,057,500	11,069,500	1,345,618	(9,723,882)
21,568,400	22,212,209	3,607,464	18,604,745
(10,510,900)	(11,142,709)	(2,261,846)	8,880,863
6,765,000	6,765,000	-	(6,765,000)
997,000	997,000	1,882,000	885,000
-	-	(340,000)	(340,000)
7,762,000	7,762,000	1,542,000	(6,220,000)
(2,748,900)	(3,380,709)	(719,846)	2,660,863
2,748,900	3,380,709	6,719,793	3,339,084
-	-	-	-
2,748,900	3,380,709	6,719,793	3,339,084
\$ -	\$ -	\$ 5,999,947	\$ 5,999,947

VILLAGE OF SCARSDALE, NEW YORK

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
MAY 31, 2008
(With Comparative Totals for 2007)

	<u>Library</u>	<u>Special Purpose</u>	<u>Permanent</u>
<u>ASSETS</u>			
Cash and Equivalents	\$ 329,030	\$ 14,712	\$ 572,600
Investments	-	395,016	-
Receivables:			
Accounts	-	241,979	-
Due from other funds	-	-	-
	-	241,979	-
Prepaid Expenditures	39,180	-	-
Total Assets	<u>\$ 368,210</u>	<u>\$ 651,707</u>	<u>\$ 572,600</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 29,110	\$ 171,965	\$ -
Accrued liabilities	48,635	-	-
Due to other funds	-	30,666	-
Deposits	-	-	-
Total Liabilities	<u>77,745</u>	<u>202,631</u>	<u>-</u>
Fund Balances:			
Reserved for prepaid expenditures	39,180	-	-
Reserved for trusts	-	449,076	572,600
Unreserved:			
Designated for subsequent year's expenditures	95,000	-	-
Undesignated	156,285	-	-
Total Fund Balances	<u>290,465</u>	<u>449,076</u>	<u>572,600</u>
Total Liabilities and Fund Balances	<u>\$ 368,210</u>	<u>\$ 651,707</u>	<u>\$ 572,600</u>

<u>Total Non-Major Governmental Funds</u>	
<u>2008</u>	<u>2007</u>
<u>\$ 916,342</u>	<u>\$ 1,558,412</u>
<u>395,016</u>	<u>-</u>
<u>241,979</u>	<u>1,962</u>
<u>-</u>	<u>2,527</u>
<u>241,979</u>	<u>4,489</u>
<u>39,180</u>	<u>37,101</u>
<u>\$ 1,592,517</u>	<u>\$ 1,600,002</u>
<u>\$ 201,075</u>	<u>\$ 140,175</u>
<u>48,635</u>	<u>13,599</u>
<u>30,666</u>	<u>4,489</u>
<u>-</u>	<u>112,366</u>
<u>280,376</u>	<u>270,629</u>
<u>39,180</u>	<u>37,101</u>
<u>1,021,676</u>	<u>1,069,668</u>
<u>95,000</u>	<u>103,950</u>
<u>156,285</u>	<u>118,654</u>
<u>1,312,141</u>	<u>1,329,373</u>
<u>\$ 1,592,517</u>	<u>\$ 1,600,002</u>

VILLAGE OF SCARSDALE, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED MAY 31, 2008
 (With Comparative Totals for 2007)

	Library	Special Purpose	Permanent
Revenues:			
Departmental income	\$ 62,580	\$ -	\$ -
Use of money and property	16,300	16,596	21,946
State aid	7,485	-	-
Miscellaneous	22,304	76,695	-
Total Revenues	108,669	93,291	21,946
Expenditures -			
Current:			
Culture and recreation	2,271,191	15,932	-
Employee benefits	638,178	-	-
Total Expenditures	2,909,369	15,932	-
Excess (Deficiency) of Revenues Over Expenditures	(2,800,700)	77,359	21,946
Other Financing Sources (Uses):			
Transfers in	2,836,320	21,946	-
Transfers out	(4,860)	(186,981)	(21,946)
Total Other Financing Sources (Uses)	2,831,460	(165,035)	(21,946)
Net Change in Fund Balances	30,760	(87,676)	-
Fund Balances - Beginning of Year, as reported	259,705	497,068	572,600
Prior Period Adjustment	-	39,684	-
Fund Balances - Beginning of Year, as restated	259,705	536,752	572,600
Fund Balances - End of Year	\$ 290,465	\$ 449,076	\$ 572,600

Total Non-Major
Governmental Funds

2008	2007
\$ 62,580	\$ 62,386
54,842	51,238
7,485	7,485
98,999	34,004
<hr/>	<hr/>
223,906	155,113
<hr/>	<hr/>
2,287,123	2,231,439
638,178	510,297
<hr/>	<hr/>
2,925,301	2,741,736
<hr/>	<hr/>
(2,701,395)	(2,586,623)
<hr/>	<hr/>
2,858,266	2,663,335
(213,787)	(33,280)
<hr/>	<hr/>
2,644,479	2,630,055
<hr/>	<hr/>
(56,916)	43,432
<hr/>	<hr/>
1,329,373	1,285,941
<hr/>	<hr/>
39,684	-
<hr/>	<hr/>
1,369,057	1,285,941
<hr/>	<hr/>
<u>\$ 1,312,141</u>	<u>\$ 1,329,373</u>

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VILLAGE OF SCARSDALE, NEW YORK

LIBRARY FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash:		
Demand deposits	\$ 328,720	\$ 284,023
Petty cash	310	310
	<u>329,030</u>	<u>284,333</u>
Prepaid Expenditures	<u>39,180</u>	<u>37,101</u>
Total Assets	<u>\$ 368,210</u>	<u>\$ 321,434</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 29,110	\$ 45,603
Accrued liabilities	48,635	13,599
Due to other funds	-	2,527
Total Liabilities	<u>77,745</u>	<u>61,729</u>
Fund Balance:		
Reserved for prepaid expenditures	39,180	37,101
Unreserved:		
Designated for subsequent year's expenditures	95,000	103,950
Undesignated	<u>156,285</u>	<u>118,654</u>
Total Fund Balance	<u>290,465</u>	<u>259,705</u>
Total Liabilities and Fund Balance	<u>\$ 368,210</u>	<u>\$ 321,434</u>

VILLAGE OF SCARSDALE, NEW YORK

LIBRARY FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEARS ENDED MAY 31, 2008 AND 2007

	2008			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Departmental income	\$ 65,000	\$ 65,000	\$ 62,580	\$ (2,420)
Use of money and property	21,500	21,500	16,300	(5,200)
State aid	8,210	8,210	7,485	(725)
Miscellaneous	23,260	23,260	22,304	(956)
Total Revenues	117,970	117,970	108,669	(9,301)
Expenditures -				
Current:				
Culture and recreation	2,430,760	2,430,293	2,271,191	159,102
Employee benefits	638,620	638,620	638,178	442
Total Expenditures	3,069,380	3,068,913	2,909,369	159,544
Deficiency of Revenues Over Expenditures	(2,951,410)	(2,950,943)	(2,800,700)	(150,243)
Other Financing Sources (Uses):				
Transfers in	2,852,320	2,852,320	2,836,320	(16,000)
Transfers out	(4,860)	(4,860)	(4,860)	-
Total Other Financing Sources	2,847,460	2,847,460	2,831,460	(16,000)
Net Change in Fund Balance	(103,950)	(103,483)	30,760	134,243
Fund Balance - Beginning of Year	103,950	103,483	259,705	156,222
Fund Balance - End of Year	\$ -	\$ -	\$ 290,465	\$ 290,465

2007

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 65,000	\$ 65,000	\$ 62,386	\$ (2,614)
15,000	15,000	22,513	7,513
7,110	7,110	7,485	375
22,960	22,960	30,782	7,822
110,070	110,070	123,166	13,096
2,337,040	2,331,960	2,191,729	140,231
529,085	529,085	510,297	18,788
2,866,125	2,861,045	2,702,026	159,019
(2,756,055)	(2,750,975)	(2,578,860)	(172,115)
2,650,755	2,650,755	2,634,755	(16,000)
(4,700)	(4,700)	(4,700)	-
2,646,055	2,646,055	2,630,055	(16,000)
(110,000)	(104,920)	51,195	156,115
110,000	104,920	208,510	103,590
\$ -	\$ -	\$ 259,705	\$ 259,705

VILLAGE OF SCARSDALE, NEW YORK

SPECIAL PURPOSE FUND
COMPARATIVE BALANCE SHEET
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Cash-Demand deposits	\$ 14,712	\$ 701,479
Investments	395,016	-
Receivables:		
Accounts	241,979	1,962
Due from other funds	-	2,527
	241,979	4,489
Total Assets	\$ 651,707	\$ 705,968
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 171,965	\$ 94,572
Due to other funds	30,666	1,962
Deposits	-	112,366
Total Liabilities	202,631	208,900
Fund Balance - Reserved for trusts	449,076	497,068
Total Liabilities and Fund Balance	\$ 651,707	\$ 705,968

VILLAGE OF SCARSDALE, NEW YORK

SPECIAL PURPOSE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Revenues:		
Use of money and property	\$ 16,596	\$ 145
Miscellaneous	76,695	3,222
Total Revenues	93,291	3,367
Expenditures -		
Current -		
Culture and recreation	15,932	39,710
Excess (Deficiency) of Revenues Over Expenditures	77,359	(36,343)
Other Financing Sources (Uses)		
Transfers in	21,946	28,580
Transfers out	(186,981)	-
Total Other Financing Sources (Uses):	(165,035)	28,580
Net Change in Fund Balance	(87,676)	(7,763)
Fund Balance - Beginning of Year, as reported	497,068	504,831
Prior Period Adjustment	39,684	-
Fund Balance - Beginning of Year, as restated	536,752	504,831
Fund Balance - End of Year	\$ 449,076	\$ 497,068

VILLAGE OF SCARSDALE, NEW YORK

PERMANENT FUND
COMPARATIVE BALANCE SHEET
May 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash - Demand deposits	<u>\$ 572,600</u>	<u>\$ 572,600</u>
<u>FUND BALANCE</u>		
Reserved for Trusts	<u>\$ 572,600</u>	<u>\$ 572,600</u>

VILLAGE OF SCARSDALE, NEW YORK

PERMANENT FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE

YEARS ENDED MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Revenues - Use of money and property	\$ 21,946	\$ 28,580
Expenditures	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	21,946	28,580
Other Financing Uses - Transfers out	<u>(21,946)</u>	<u>(28,580)</u>
Net Change in Fund Balance	-	-
Fund Balance - Beginning of Year	<u>572,600</u>	<u>572,600</u>
Fund Balance - End of Year	<u>\$ 572,600</u>	<u>\$ 572,600</u>

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND
COMPARATIVE STATEMENT OF NET ASSETS
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Current Assets:		
Cash - Demand deposits	\$ 3,921,335	\$ 3,440,703
Investments	2,140,000	-
Accounts receivable	286,153	281,119
Due from other funds	700	22,400
Prepaid expenses	57,180	52,599
Total Current Assets	6,405,368	3,796,821
Capital Assets:		
Land	31,789	31,789
Buildings	2,012,985	2,012,985
Machinery and equipment	1,016,725	955,570
Infrastructure	1,601,086	1,601,086
Construction-in-progress	1,583,665	328,242
	6,246,250	4,929,672
Less - Accumulated depreciation	(3,315,760)	(3,184,714)
Total Capital Assets, net of accumulated depreciation	2,930,490	1,744,958
Total Assets	9,335,858	5,541,779
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	271,506	16,245
Accrued liabilities	805,925	75,754
Accrued interest payable	31,655	-
Due to other funds	-	11,849
Unearned revenues	-	515
Retained percentages	28,719	-
Current portion of compensated absences	24,776	21,316
Current maturities of bonds payable	22,500	-
Total Current Liabilities	1,185,081	125,679
Noncurrent Liabilities:		
Compensated absences, less current portion	222,987	196,641
Bonds payable, less current maturities	1,477,500	-
Total Noncurrent Liabilities	1,700,487	196,641
Total Liabilities	2,885,568	322,320
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	2,409,277	1,744,958
Unrestricted	4,041,013	3,474,501
Total Net Assets	\$ 6,450,290	\$ 5,219,459

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS

YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Operating Revenues -		
Charges for services	\$ 5,104,537	\$ 4,823,695
Operating Expenses:		
Taxes on Village property	50,855	48,801
Personal services	758,161	737,297
Contractual services	44,357	37,314
Supplies	122,666	141,299
Utilities	91,322	79,411
Employee benefits	333,236	258,019
Insurance	39,178	36,500
Repairs and maintenance	73,126	6,899
Equipment maintenance	44,446	140,282
Depreciation	145,537	201,832
Purchase of water	1,881,192	1,090,790
Property services	155,250	155,250
Miscellaneous	12,180	15,974
Total Operating Expenses	3,751,506	2,949,668
Income from Operations	1,353,031	1,874,027
Non-Operating Revenues (Expenses):		
Interest income	185,555	157,216
Interest expense	(31,655)	-
Total Non-Operating Revenues	153,900	157,216
Income Before Transfers	1,506,931	2,031,243
Transfers:		
Transfers in	4,500	4,000
Transfers out	(280,600)	(281,200)
Total Transfers	(276,100)	(277,200)
Change in Net Assets	1,230,831	1,754,043
Net Assets - Beginning of Year	5,219,459	3,465,416
Net Assets - End of Year	\$ 6,450,290	\$ 5,219,459

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - WATER FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 5,120,688	\$ 4,684,210
Cash payments for goods or services	(1,474,491)	(5,309,536)
Cash payments to employees	(1,103,953)	(897,162)
Net Cash Provided by (Used in) Operating Activities	2,542,244	(1,522,488)
Cash Flows From Non-Capital Financing Activities:		
Transfers in	4,500	4,000
Transfers out	(280,600)	(281,200)
Net Cash Used in Non-Capital Financing Activities	(276,100)	(277,200)
Cash Flows From Capital and Related Financing Activities :		
Proceeds from serial bonds	1,500,000	-
Acquisition and construction of capital assets	(1,331,067)	(356,375)
Net Cash Provided by (Used in) Capital and Related Activities	168,933	(356,375)
Cash Flow From Investing Activities:		
Interest income	185,555	157,216
Purchase of investments	(2,140,000)	-
Net Cash Provided by (Used in) Investing Activities	(1,954,445)	157,216
Net Change in Cash	480,632	(1,998,847)
Cash - Beginning of Year	3,440,703	5,439,550
Cash - End of Year	\$ 3,921,335	\$ 3,440,703
Reconciliation of Income from Operations to Net Cash		
Provided by (Used in) Operating Activities:		
Income from operations	\$ 1,353,031	\$ 1,874,027
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities:		
Depreciation	145,537	201,832
Changes in operating assets and liabilities:		
Accounts receivable	(5,034)	(117,600)
Due from other funds	21,700	(22,400)
Prepaid expenses	(4,581)	(42,383)
Accounts payable	255,261	(27,159)
Accrued liabilities	730,169	(3,425,538)
Due to other funds	(11,849)	11,849
Unearned revenues	(515)	515
Retained percentages	28,719	-
Compensated absences	29,806	24,369
Net Cash Provided by (Used in) Operating Activities	\$ 2,542,244	\$ (1,522,488)

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND
COMPARATIVE STATEMENT OF NET ASSETS
MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Current Assets:		
Cash:		
Demand deposits	\$ 709,251	\$ 839,244
Petty cash	200	200
	709,451	839,444
Interest receivable	116	-
Prepaid expenses	12,000	11,583
Total Current Assets	721,567	851,027
Capital Assets:		
Land	118,000	118,000
Buildings	2,297,210	2,297,210
Machinery and equipment	173,288	173,288
Infrastructure	244,245	244,245
Construction-in-progress	213,828	213,828
	3,046,571	3,046,571
Less - Accumulated depreciation	(1,548,299)	(1,405,390)
Total Capital Assets, net of accumulated depreciation	1,498,272	1,641,181
Total Assets	2,219,839	2,492,208
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	4,404	44,340
Accrued liabilities	9,118	93,061
Accrued interest payable	13,016	14,768
Retained percentages	3,787	10,711
Due to other funds	9,037	2,809
Unearned revenues	572,488	613,215
Current maturities of bonds payable	141,637	135,796
Total Current Liabilities	753,487	914,700
Noncurrent Liabilities -		
Bonds payable, less current maturities	813,318	954,955
Total Liabilities	1,566,805	1,869,655
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	543,317	550,430
Unrestricted	109,717	72,123
Total Net Assets	\$ 653,034	\$ 622,553

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET ASSETS
YEARS ENDED MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating Revenues -		
Charges for services	<u>\$ 920,648</u>	<u>\$ 871,828</u>
Operating Expenses:		
Taxes on Village property	2,691	2,808
Personal services	355,432	329,194
Contract services	72,135	70,348
Supplies	54,706	31,248
Utilities	48,110	39,619
Employee benefits	38,773	36,337
Insurance	20,615	19,000
Repairs and maintenance	40,829	69,807
Equipment maintenance	22,546	30,590
Depreciation	142,909	219,876
Miscellaneous	<u>36,139</u>	<u>45,066</u>
Total Operating Expenses	<u>834,885</u>	<u>893,893</u>
Income (Loss) from Operations	<u>85,763</u>	<u>(22,065)</u>
Non-Operating Revenues (Expenses):		
Interest income	16,123	31,649
Interest expense	<u>(39,930)</u>	<u>(45,118)</u>
Total Non-Operating Expenses	<u>(23,807)</u>	<u>(13,469)</u>
Income (Loss) Before Transfers	<u>61,956</u>	<u>(35,534)</u>
Transfers:		
Transfers in	10,725	10,725
Transfers out	<u>(42,200)</u>	<u>(40,400)</u>
Total Transfers	<u>(31,475)</u>	<u>(29,675)</u>
Change in Net Assets	30,481	(65,209)
Net Assets - Beginning of Year	<u>622,553</u>	<u>687,762</u>
Net Assets - End of Year	<u>\$ 653,034</u>	<u>\$ 622,553</u>

VILLAGE OF SCARSDALE, NEW YORK

ENTERPRISE FUND - POOL FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 920,648	\$ 871,828
Cash payments for goods or services	(467,489)	(142,339)
Cash payments to employees	(390,206)	(360,934)
Net Cash Provided by Operating Activities	62,953	368,555
Cash Flows From Non-Capital Financing Activities:		
Transfers in	10,725	10,725
Transfers out	(42,200)	(40,400)
Net Cash Used in Non-Capital Financing Activities	(31,475)	(29,675)
Cash Flows From Capital and Related Financing Activities:		
Principal paid on bonds	(135,796)	(128,496)
Interest paid on indebtedness	(41,682)	(46,724)
Acquisition and construction of capital assets	-	(213,826)
Net Cash Used in Capital and Related Financing Activities	(177,478)	(389,046)
Cash Flow From Investing Activities -		
Interest income	16,007	31,649
Net Change in Cash	(129,993)	(18,517)
Cash - Beginning of Year	839,444	857,961
Cash - End of Year	<u>\$ 709,451</u>	<u>\$ 839,444</u>
Reconciliation of Income (Loss) from Operations to Net Cash Provided by Operating Activities:		
Income (Loss) from operations	\$ 85,763	\$ (22,065)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	142,909	219,876
Changes in operating assets and liabilities:		
Prepaid expenses	(417)	(11,583)
Accounts payable	(39,936)	10,745
Accrued liabilities	(83,943)	92,538
Retained percentages	(6,924)	10,711
Due to other funds	6,228	2,809
Unearned revenues	(40,727)	65,524
Net Cash Provided by Operating Activities	<u>\$ 62,953</u>	<u>\$ 368,555</u>

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND
COMPARATIVE STATEMENT OF NET ASSETS
YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
<u>ASSETS</u>		
Current Assets:		
Cash:		
Demand deposits	\$ 24	\$ 332
Petty cash	100	100
	124	432
Due from other governments	135,875	157,674
Due from other funds	-	109,000
Prepaid expenses	61,194	63,044
Total Current Assets	197,193	330,150
Capital Assets:		
Buildings	2,114,268	2,114,268
Machinery and equipment	230,245	230,245
	2,344,513	2,344,513
Less - Accumulated depreciation	(1,115,728)	(1,061,532)
Total Capital Assets, net of accumulated depreciation	1,228,785	1,282,981
Total Assets	1,425,978	1,613,131
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	207,568	281,100
Accrued liabilities	80,032	140,039
Accrued interest payable	-	7,552
Current maturities of bonds payable	87,000	87,000
Current portion of compensated absences	16,945	13,670
Total Current Liabilities	391,545	529,361
Noncurrent Liabilities:		
Bonds payable, less current maturities	219,000	306,000
Compensated absences, less current portion	152,509	123,326
Total Noncurrent Liabilities	371,509	429,326
Total Liabilities	763,054	958,687
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	922,785	889,981
Unrestricted	(259,861)	(235,537)
Total Net Assets	\$ 662,924	\$ 654,444

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS
YEARS ENDED MAY 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Operating Revenues -		
Charges for services	<u>\$ 2,581,009</u>	<u>\$ 2,170,471</u>
Operating Expenses:		
Personal services	869,619	895,003
Contractual services	1,199,259	1,021,647
Employee benefits	408,427	352,061
Depreciation	<u>54,196</u>	<u>172,941</u>
Total Operating Expenses	<u>2,531,501</u>	<u>2,441,652</u>
Income (Loss) from Operations	<u>49,508</u>	<u>(271,181)</u>
Non-Operating Revenues (Expenses):		
Interest income	1,218	2,669
Interest expense	<u>(18,346)</u>	<u>(22,713)</u>
Total Non-Operating Expenses	<u>(17,128)</u>	<u>(20,044)</u>
Income (Loss) Before Transfers	<u>32,380</u>	<u>(291,225)</u>
Transfers:		
Transfers in	-	109,000
Transfers out	<u>(23,900)</u>	<u>(23,100)</u>
Total Transfers	<u>(23,900)</u>	<u>85,900</u>
Change in Net Assets	8,480	(205,325)
Net Assets - Beginning of Year	<u>654,444</u>	<u>859,769</u>
Net Assets - End of Year	<u>\$ 662,924</u>	<u>\$ 654,444</u>

VILLAGE OF SCARSDALE, NEW YORK

INTERNAL SERVICE FUND - CENTRAL GARAGE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MAY 31, 2008 AND 2007

	2008	2007
Cash Flows From Operating Activities:		
Cash received from charges for services	\$ 2,602,808	\$ 2,159,489
Cash payments for goods or services	(1,136,765)	(916,886)
Cash payments to employees	(1,336,768)	(1,118,033)
Net Cash Provided by Operating Activities	129,275	124,570
Cash Flows From Non-Capital Financing Activities -		
Transfers out	(23,900)	(23,100)
Cash Flows From Capital and Related Financing Activities:		
Principal paid on bonds	(87,000)	(87,000)
Interest paid on indebtedness	(19,901)	(24,470)
Net Cash Used in Capital and Related Financing Activities	(106,901)	(111,470)
Cash Flow From Investing Activities -		
Interest income	1,218	2,669
Net Change in Cash	(308)	(7,331)
Cash - Beginning of Year	432	7,763
Cash - End of Year	\$ 124	\$ 432
Reconciliation of Income (Loss) from Operations to Net Cash Provided by Operating Activities:		
Income (loss) from operations	\$ 49,508	\$ (271,181)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	54,196	172,941
Changes in operating assets and liabilities:		
Due from other governments	21,799	(10,982)
Due from other funds	109,000	-
Prepaid expenses	1,850	(44,339)
Accounts payable	(73,532)	149,100
Accrued liabilities	(66,004)	137,770
Compensated absences	32,458	(8,739)
Net Cash Provided by Operating Activities	\$ 129,275	\$ 124,570